

FARMERS MUTUAL INSURANCE COMPANY

UNDERWRITING GUIDELINES

FARM FIRE

Farmers Mutual Insurance Company

**FARM FIRE UNDERWRITING GUIDELINES
UNDERWRITING ITEMS OF IMPORTANCE**

**GENERAL UNDERWRITING GUIDELINES APPLY TO FARM FIRE
CITY FIRE UNDERWRITING GUIDELINES APPLY TO FARM FIRE
(Please refer to the above guidelines)**

In addition to the above guidelines, the following are farm fire underwriting guidelines:

Farm Personal Property (Coverage E)

We believe risks which insure only a farm outbuilding, livestock, irrigation equipment, or Hay should be avoided. We believe these types of risks should include other supporting property business to make the risks acceptable. As a general rule of thumb the supporting business should provide premium equal to or more than the business they are supporting.

The company will not write machinery on a monoline basis. Supporting coverage is required.

At this time the maximum limit for Hay inside is \$20,000. The maximum limit for Hay outside per stack at 100' apart is \$10,000 outside.

The final decision regarding the acceptability of supporting business will rest with the Company Underwriter.

Outbuildings (Coverage F)

Structures used or designed for farming must be scheduled.

We are extremely concerned with the condition of outbuildings insured by the company. Experience has taught us that buildings which are poorly maintained; i.e. poor paint, rusted metal roofs, roofs with missing shingles, and siding which is damaged from rot, will not be cared for as well as those which are well maintained. Because of this lack of care the frequency for additional damage to exposed or weakened areas of buildings tends to be increased.

We believe outbuildings which are not properly maintained should not be insured.

We believe outbuildings which are not being utilized should not be insured.

We discourage insuring "portable buildings" for the peril of "Weight of Ice and Snow".

Minimum limits of liability for farm outbuildings are as follows:

Farm Outbuilding: Type 1 - \$2,000; Type 2 - \$2,000; Type 3 - None

Granaries & Silos: Type 1 - \$5,000; Type 2 - \$1,000, Type 3 - \$500

Blanket Coverage (FL7)

When writing Blanket Coverage the following should be observed:

- a) 80% Coinsurance to Actual Cash Value;
- b) Items to be excluded must be listed with the application;
- c) An inventory should be provided;
- d) Premium for Endorsements to add additional peril forms should be based on the amount of risk as shown on the inventory for the items to which the endorsement applies;

Blanket Coverage and Specified Coverage may be used on the same policy. Items shown for Specific Coverage should be shown as excluded from Blanket Coverage;

Blanket Coverage for Farm Personal Property and Livestock may not be separated on the same policy for rating purposes.